GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:4366
ANSWERED ON:19.04.2002
MODERNISATION OF TEXTILE CENTRES
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Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have drawn up a plan for the modernisation of 24 textile centres under the Textile Centre Infrastructure Development Scheme;

(b) if so, the details thereof; and

(c) the extent to which it will help in reviving the textile industry in the matter of exports ?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) to (c): The Government has launched a new scheme `Textile Centre Infrastructure Development Scheme (TCIDS)` forejuvenating and plugging critical infrastructure gaps in predominantly textile/apparel sector areas to help the units located therein to become globally competitive. The detailed guidelines of the Scheme are attached.

One of the major perceived benefits of TCDIS is removal of impediments to production and to facilitate improvement in quality, productivity and operational flexibility to make the textile industry of the centres globally competitive so as to face competition in domestic and international markets. Therefore, the modernisation of textile centres under the Scheme would result in increased exports especially in the post MFA era starting from 1st January 2005.

Statement referred to in reply to parts (a) to (c) of Lok Sabha Unstarred Question No. 4366 for 19-04-2002

GUIDELINES OF TEXTILE CENTRES INFRASTRUCTURE DEVELOPMENT SCHEME (TCIDS)

1. TCIDS Scheme is a part of the drive to improve infrastructure facilities at potential textile growth centresand therefore, aims at removing bottlenecks in exports so as to achieve the target of US$ 50 billion by 2010 as envisaged in the National Textile Policy, 2000.

2. The scheme shall cover investments, which are in the nature of exigencies, or emergencies and which could not be foreseen as part of the annual plan scheme proposals. Broadly, the scheme covers and Investments required for quicker and strategic removal of bottlenecks and for general export facilitation. The investment must reflect its linkage to export promotion.

3. Balancing investment may, inter alia, relate to:-

I. construction of roads
II. provision of testing facilities
III. common effluent treatment plant facilities
IV. exhibition/marketing hall
V. strengthening of power supply
VI. improving water supply and drainage facilities
VII. improvement in telecommunication network and IT facilities
VIII. establishment of design centres
IX. improving warehousing facilities
X. improving facilities for movement of goods to sea ports and airports, inland container depots, air cargo complexes etc.
XI. augmentation of transport facilities especially for decongestion
XII. facilities to improve human resource
XIII. construction of creche buildings for apparel units

4. Under the Scheme funds can be given to Central/ State Government Departments/ Public Sector Undertakings/ Other Centra /State Government`s agencies/recognized industrial association or entrepreneur bodies for development of infrastructure directly benefiting the textile units. The fund would not be available for individual production units.

5. The balancing investment should be (other than in exceptional circumstances) not in the nature of a total project by itself but an additive or adjunct to an existing or proposed facility. The Central assistance will be generally limited to 50% of the critical components of the project subject to a maximum of Rs.20 crores for a particular centre.

6. The funds would generally be provided on reimbursement basis. However, in appropriate cases, advance payment may be considered.

7. The investment proposals should be supported by estimates duly vetted by the Department concerned. All the proposals emanating from a particular State/ Union Territory should come through the Secretary incharge of Textiles of the concerned State/ Union Territory and should have an indication/ commitment about the contribution to be made by the proposed agency/ State Government.

8. The benefits accruing from the proposed investment should be quantified in terms of increase in production/exports/investment to establish the project desirability.

9. It would be open for the Government of India to cause physical verification of the implementation of the project and other such enquiries as deemed fit.

10. Payment and all expenditure under the project will be subject to audit by the Comptroller and Auditor General of India.

11. The proposed investment should not be included in the Annual Plan of the department/Agency concerned.

12. The benefits accruing from the balancing investment should be quantified as far as possible and in appropriate cases in terms of attendant increase in exports and / or with help of financial parameters to establish the project economic desirability/viability.

13. The proposal would be considered by an Empowered Committee under the chairmanship of the Secretary (Textiles) and having the following members:-

(1). Advisor, Planning commission

(2). AS&FA, Ministry of Textiles

(3). Economic Advisor, Ministry of Textiles

(4). Joint Secretary, Department of Expenditure, Ministry of Finance

(5). Joint Secretary (Infrastructure), Deptt. of Commerce.

(6). Joint Secretary, Ministry of Textiles - Member Secretary.

14. A committee would be duly constituted by the concerned State or Union Territory Government /Agency. Public Sector Undertaking to implement and monitor each of the approved proposals. A representative of Ministry of Textiles would be included in the committee.

15. Preferably there should be a single agency for the implementation of the project. However, the common facilities created under the scheme would be established and managed by professional bodies such as Textile Research Associations, Industry Associations etc.

16. The performance of the TCIDS scheme as a whole will be evaluated on annual basis by an appropriate authority or agency to be decided by the Empowered Committee of the Scheme.

17. Each project should invariably contain a statement duly filled in the format provided in Attachment-I to the guidelines, and should be duly certified by the Secretary/ Director, incharge of Textiles of the State/ UT Government. The statement shall contain commitment of the State Government/ agency to meet the balance cost and to make necessary provisions in their budget.

18. Outlines for submission of projects under the scheme are given in Attachment-II to the guidelines.

Attachment-I

STATEMENT REGARDING COMMITMENT OF STATE GOVERNMENT

1. Name of the Project

2. Proposing Organisation

3. Implementing organisation

4. Total Project cost

5. Project funding pattern
6. Proposed Shares of

i. State Government
ii. Implementing organization
iii. Central Government
iv. Others

7.
(i) Whether the State Government and the implementing organisations are committed to provide their share ?

(ii) Whether the necessary budgetary provisions have been made ?

8. Details of the project sanctioned earlier under the TCIDS for the State Government/ UT/ other agencies

Name of the project Total cost

(Rs. Lacs) Share of the

(Rs. Lacs) Amount released

(Rs. Lacs) Likely date of completion Expenditure as on _____

(Rs.Lacs) Main factor behind delay in the implementation and remedial measure taken
State/ UT TCIDS
scheme State/ UT TCIDS Scheme

(Secretary/ Director in-charge of Textiles)

Attachment-II

OUTLINES FOR SUBMISSION OF PROJECTS UNDER THE TEXTILE CENTRES INFRASTRUCTURE DEVELOPMENT (TCIDS)

1. The guidelines for project formulation are intended to be indicative and not exhaustive since the proposal will have to take into account peculiar features of each project.

2. Ten copies of the project proposals may be submitted to the Director (Exports Division), Ministry of Textiles.

3. The proposal should be exhaustive and to the point. All aspects should be examined in detail and supported by data and surveys as far as possible.

4. The proposal should invariably be accompanied by an Executive Summary, which should, inter alia, contain the following details:

(a) Name and address of the proposing Organisation

(b) Name and address of the Implementing Organisation

(c) Status of the Implementing Organisation (Central/State Government/Public Sector Undertaking/Municipality/ others)

(d) Benefits accruing from the balancing investment quantified in terms of attendant increase in production/exports/investments.

(e) Scope of Work:

This should inter alia indicate the type of infrastructural facilities that need to be provided, upgraded or strengthened. The items requiring funding from the Central Government under the scheme should be clearly mentioned.

(f) Project Phasing and Implementation Schedule

The project report should indicate a realistic time frame within which the different activities would be completed. The requirement of funds should also be accordingly indicated.

(g) Financial Plan

1. Project Cost

The total project cost and the fund requirement for the entire project should be indicated item wise. All components of the project for which financing is sought under the scheme should be clearly and separately indicated.

2. Project Financing

The report should clearly indicate the financing arrangements including the mode of financing of the project and the sources of funds.

(h) Financial Viability

The report should indicate the financial viability of the project supported by sufficient data and financial parameters (Internal rate of return, Debt Service ratio, etc.)

(i) Management

The report should contain a detailed plan regarding the supervisory control for the successful implementation of the project. It would be desirable to include the users like exporters, local industry association, etc. and a representative of the Ministry of Textiles in the Board of Directors, Managing Committee etc., as the case may be.